



# RULE-MAKING ORDER

**CR-103 (June 2004)**  
**(Implements RCW 34.05.360)**

**Agency:** Department of Revenue

☒ **Permanent Rule**  
☐ **Emergency Rule**

**Effective date of rule:**

**Permanent Rules**

☒ 31 days after filing.  
☐ Other (specify) \_\_\_\_\_ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Effective date of rule:**

**Emergency Rules**

☐ Immediately upon filing.  
☐ Later (specify) \_\_\_\_\_

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

☐ Yes ☒ No If Yes, explain:

**Purpose:** This is a new rule, WAC 458-20-279 *Clean Alternative Fuel Vehicles and High Gas Mileage Vehicles*, which explains the requirements of the following:

- The retail sales and use tax exemptions for clean alternative fuel vehicles (RCW 82.08.809 and 82.12.809); and
- The retail sales and use tax exemptions for high gas mileage vehicles (RCW 82.08.813 and 82.12.813).

These exemptions are effective from January 1, 2009 until January 1, 2011.

**Citation of existing rules affected by this order:**

Repealed:  
Amended:  
Suspended:

**Statutory authority for adoption:** RCW 82.32.300 and 82.01.060 (2)

**Other authority :**

**PERMANENT RULE ONLY (Including Expedited Rule Making)**

Adopted under notice filed as WSR 08-022-101 on November 5, 2008.

Describe any changes other than editing from proposed to adopted version:

**See attached document.**

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: **An analysis was not prepared.**

**EMERGENCY RULE ONLY**

Under RCW 34.05.350 the agency for good cause finds:

- ☐ That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- ☐ That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

**Date adopted:**

December 31, 2008

**NAME (TYPE OR PRINT)**

Alan R. Lynn

**SIGNATURE**

**TITLE** Rules Coordinator

**CODE REVISER USE ONLY**

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE:** December 31, 2008  
**TIME:** 2:14 PM

**WSR 09-02-051**

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

<b>Federal statute:</b>	New	_____	Amended	_____	Repealed	_____
<b>Federal rules or standards:</b>	New	_____	Amended	_____	Repealed	_____
<b>Recently enacted state statutes:</b>	New	<u>1</u>	Amended	_____	Repealed	_____

**The number of sections adopted at the request of a nongovernmental entity:**

New	<u>1</u>	Amended	_____	Repealed	_____
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**The number of sections adopted in the agency's own initiative:**

New	<u>1</u>	Amended	_____	Repealed	_____
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**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

New	_____	Amended	_____	Repealed	_____
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**The number of sections adopted using:**

<b>Negotiated rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Pilot rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Other alternative rule making:</b>	New	<u>1</u>	Amended	_____	Repealed	_____



STATE OF WASHINGTON  
**DEPARTMENT OF REVENUE**

**Attachment for CR 103 of WAC 458-20-279**

**Describe any changes other than editing from proposed to adopted version:**

Minor grammatical/stylistic changes were made to the proposed rule.

The discussion of the effect of the exemptions on accessories in Subsection 8 was expanded to provide additional clarification as follows. Language that was added to the proposed Rule 279 is underlined, while language removed from the proposed Rule 279 is indicated by a strikethrough of the text.

**(8) Accessories.** ~~Accessories qualify for the exemptions if the accessories are components of the qualifying vehicle at the time of purchase. Accessories purchased after the qualifying vehicle is purchased are subject to retail sales tax. A qualifying vehicle includes all accessories installed or sold as part of the sale of the vehicle.~~

**(a) Example 1.** A dealership installs a ski rack and applies pinstriping on an otherwise qualifying vehicle on January 5, 2009, before a customer purchases the vehicle. Any separate, itemized charges for the accessories listed on the vehicle sales invoice are exempt from retail sales tax.

**(b) Example 2.** On January 5, 2009, a customer purchases an otherwise qualifying vehicle, and as a condition of the purchase requires that the seller install stereo speakers and apply paint sealant. The seller does not have the accessories in stock, but the customer takes delivery of the vehicle. The customer then brings the vehicle back to the seller, and the accessories are installed and applied on January 12, 2009. Any separate, itemized charges for the accessories listed on the vehicle sales invoice are exempt from retail sales tax.

Subsections 10 and 11 address situations where a down payment is made prior to purchase and delivery of the vehicle. Subsection 10 is a scenario where the down payment is made prior to the effective date of the exemptions, with purchase and delivery taken after the effective date. Subsection 11 is a scenario where the down payment is made while the exemptions are still in effect, with purchase and delivery taken after the end of the exemption period. The last sentence of each example in these subsections was changed as follows for clarification purposes.

Subsection 10 example:

The ~~down payment~~ purchase of the vehicle is exempt from retail sales tax.

Subsection 11 example:

The ~~down payment~~ purchase of the vehicle is subject to retail sales tax.